

Good morning, my name is Marie Lenane and I am a Policy Analyst at the Executive Office of Health and Human Services (EOHHS). I am here to present staff testimony on the proposed amendments to 101 CMR 429.00: Rates for Certain Sexual and Domestic Violence Services. The amendments will update the rates for Certain Sexual and Domestic Violence Services to be purchased by the Department of Public Health (DPH) as Domestic Violence Community-Based Services, Intimate Partner Abuse Education Program, Rape Crisis Center Services and Sexual, and Domestic Violence Equity Services.

Massachusetts General Laws Chapter 118E, Section 13D, requires the Secretary of the Executive Office of Health and Human Services to establish by regulation rates of payment for social service programs that are reasonable and adequate to meet the costs incurred by efficient and economically operated social service providers.

The effective date of the proposed amendments is July 1, 2023.

The rates for all the sexual and domestic violence services are being updated to include an increase by a cost adjustment factor (CAF) of 2.78%, effective July 1, 2023. The CAF was determined by using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Fall 2022 Forecast, optimistic scenario data. The CAF reflects the period between the rates' base period (calendar year 2023 Q2) and the prospective period of fiscal years 2024 and 2025. In addition to the FY24 CAF, the rates for all services have been updated to include all staff salaries. It is the Purchase of Service (Chapter 257) policy to utilize salary data from the most recent version of the Massachusetts Bureau of Labor Statistics Occupational Employment and Wage Statistics (OEWS) available at the time of the rate review. As such, the benchmarks are derived from the Massachusetts Bureau of Labor Statistics (BLS) wages dated May 2021 at the 53rd percentile. The direct care positions have all been recategorized as direct care III positions and the programmatic costs have been benchmarked to the FY21 Uniform Financial Statements and Independent Auditor's Report (UFR) weighted average. The administrative allocation has been benchmarked to 12% and the tax and fringe rate has been benchmarked to 25.39%. This benchmark is derived from the MA Comptroller's FY23 approved rate less terminal leave and retirement. This benchmark includes an additional 2% to be used to promote workforce initiatives such as retirement benefits. The rate for sexual and domestic violence legal advocacy is being removed from the regulation at this time as it is not used by

the purchasing agencies. Lastly, rate provision language has been incorporated into this regulation to allow for administrative adjustments for extraordinary circumstances to be consistent with other Chapter 257 rate regulations.

The total annualized cost to state government from the proposed amendments is \$3.8 million, which represents an increase of 11.69% over FY22 spending of approximately \$33 million.

This concludes my testimony. Thank you.